

Improvements to e-Suitability - paragraph library version 1.4.4 6.4.2016

We are pleased to announce amendments to e-Suitability which take into account budget and other changes applicable to the new tax year.

The most significant changes are:

- **Budget changes 2016**
- Lifetime ISA discounting text
- Fix to Equity Release content
- **New support for VCT recommendations**
- **New support for EIS recommendations**
- **New support for Lasting Powers of Attorney**
- Minor layout corrections

Budget changes 2016

Changes have been made to take account of the changes confirmed in the last budget:

Unchanged allowances are:

- | | |
|-------------------------------|----------------|
| • ISA allowance | still £15,240 |
| • Junior ISA allowance | still £4,080 |
| • Income tax savings band | still £5,000 |
| • Age allowance | still £27,700 |
| • Capital gains tax allowance | still £11,100 |
| • Nil Rate IHT band | still £325,000 |

Lifetime ISA discounting text

In the budget announcement, a new Lifetime ISA has been announced to become available from April 2017 for investors between the ages of 18 and 40. The Lifetime ISA will attract a government bonus of 25% of any sum deposited or invested before age 50. It may be suitable for a client to hold to one side part of the amount now available to invest to take advantage of the Lifetime ISA opportunity in April 2017. For this reason optional automated text to explain the Lifetime ISA and discount keeping funds to one side will now be available for Cash and Stocks and Shares ISAs. The new text is as follows:

HOW NEW ISA RULES MAY AFFECT YOU

With effect from April 2017, a new form of ISA, a "Lifetime ISA", will become available and the overall limit you may invest into ISA's will increase from **£15,240** to **£20,000**.

From April 2017, anyone between the ages of 18 and 40 will be able to open a Lifetime ISA and invest up to **£4,000** per tax year. Any amount added to a Lifetime ISA before age 50 will receive a 25% bonus from the Government. You may use the proceeds of a Lifetime ISA towards the purchase of a first home worth up to **£450,000** or wait until you are 60 and take out all the savings tax free. You may withdraw the value from the ISA before you are 60 but, unless the money is used to purchase a first home, you will lose the Government bonus and pay a 5% charge.

I have not recommended that you set aside some of the amount you have now available to invest to be allocated to a Lifetime ISA because:

insert reason.

Fix to Equity Release content

It has been drawn to our attention that the one of the paragraph headings in the automated text for Equity Release is incorrect. This has now been corrected and an example of the affected text follows:

GENERAL FACTORS WHICH HAVE FRAMED MY RECOMMENDATION FOR THE FOLLOWING EQUITY RELEASE PLAN

Before formulating my recommendation for the above-mentioned arrangement, I considered how best it will be possible to accommodate your financial needs in the context of your personal situation and the plans and arrangements you have already made. Your decision as to which of the available solutions to adopt to meet your need should be affected by a number of factors. The undermentioned points have helped me to finalise my recommendation for you.

- It is evident from my analysis of your finances that your current assets, liabilities, income and expenditure required to maintain your preferred lifestyle are:

Assets	Liabilities
insert amount	insert amount
Monthly Income	Monthly Expenditure
insert amount	insert amount

New support for VCT recommendations

We are pleased to announce new support for Venture Capital Trusts. VCTs are suitable only for highly experienced investors looking for extremely high tax efficient returns who are also able to accept the possibility of 100% loss of capital. VCTs will be selectable as a product in the:

- Investments and Pensions need area and the Personal – Wealth Creation – General sub need.

New support for EIS recommendations

We are pleased to announce new support for Enterprise Investment Scheme investments. EISs are suitable only for highly experienced investors looking for extremely high tax efficient returns who are also able to accept the possibility of 100% loss of capital. EISs will be selectable as a product in the:

- Investments and Pensions need area and the Personal – Wealth Creation – General sub need.
- Investments and Pensions need area and the Personal – Estate Planning sub need

New support for Lasting Powers of Attorney

Organising one's financial affairs to include the selection of chosen attorneys to be able to act over property and finances and health and welfare matters is now considered core to the duties of a financial adviser.

In recognition of the need to recommend LPAs in all situations where inadequate provision exists, LPA recommendation text has been included in the closing section of each suitability report in the form of a selectable appendix.

A sample of the new selectable text follows:

LASTING POWERS OF ATTORNEY APPENDIX

Whether you are young or elderly, with or without dependants, you should arrange a Lasting Power of Attorney. Lasting Powers of Attorney exist to allow for the orderly transfer of your authority to act to a chosen third party under certain conditions. Typically, authority to act on your behalf is triggered only if you lose mental capacity. Two types exist; Property and Finances and Health and Welfare.

PROPERTY AND FINANCES LASTING POWER OF ATTORNEY

A Lasting Power of Attorney over your property and finances provides a legal solution to allow one or more people of your choice to take over the management of your financial affairs. Appointed attorneys may act on your behalf in performing a wide range of duties including paying routine bills, collecting any amounts due to you, administering your tax affairs and selling your home.

HEALTH AND WELFARE LASTING POWER OF ATTORNEY

A Lasting Power of Attorney over your health and welfare provides a legal mechanism for one or more people to take decisions on your behalf in areas including provision of medical care, deciding to move to a care home and whether life-sustaining treatment should be continued.

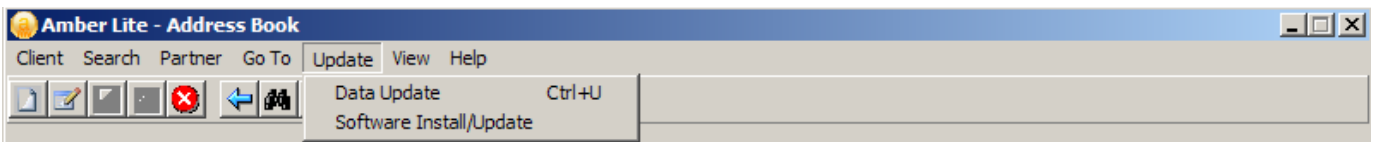
Minor layout corrections

The paragraph library has been reviewed and a number of small layout corrections have been made. In this connection, we are grateful for continued user feedback on any flaws found in the content, the correction of which will take precedence over all other development work.

New paragraph library

Amber Lite

If you have not already updated the software, select the “Data Update” option from the drop down menu which is accessible immediately after launching Report Writer.



Then follow the onscreen instructions.

Adviser Office

If you have not already updated the software, select the “e-Suitability data update” option from the drop down menu which is accessible immediately after launching Report Writer.

Adviser Office - Client Management Module - (Bluegrove Database - \\tess\company\1stdir32\Main1ST)

File Edit FactFind Summary View Linked Accounts Tools Maintenance Preferences Help

Factfind Options Summary Screen

Factfind Options

- Address Details
- Approach to Invest...
- Assets & Liabilities
- Attitudes
- Basic Details

Summary Screen

Mr J Example

1 Any Street
 Anytown
 Any County

H
 B
 F.

- Title Files...
- Schemes...
- Unit Prices
- ID Checks...
- Repair Inbound Queue Item
- Extranet Links...
- Update Links...
- e-Suitability data update